

101ST CONGRESS  
2D SESSION

# S. 3082

To expand the authority of the Secretary of the Interior in connection with the investment of Indian trust funds, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

SEPTEMBER 19 (legislative day, SEPTEMBER 10), 1990

Mr. INOUE (for himself and Mr. McCAIN) introduced the following bill; which was read twice and referred to the Select Committee on Indian Affairs

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## A BILL

To expand the authority of the Secretary of the Interior in connection with the investment of Indian trust funds, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 SECTION 1. AMENDMENT.

4 Section 1 of the Act of June 24, 1938 (25 U.S.C. 162a)  
5 is amended by designating the existing text thereof as subsec-  
6 tion (a), and by adding at the end thereof the following new  
7 subsection:

8 "(b)(1) Notwithstanding subsection (a), the Secretary of  
9 the Interior, at the request of any Indian tribe, in the case of  
10 trust funds of such tribe, or any individual Indian, in the case

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1 of trust funds of such individual, is authorized to invest such  
2 funds, or any part thereof, in guaranteed or public debt ~~of~~  
3 obligations of the United States or in <sup>a</sup>mutual fund, otherwise  
4 known as an open-ended diversified investment management  
5 company if—

6           “(A) the portfolio of such mutual fund consists en-  
7 tirely of public-debt obligations of the United States, or  
8 bonds, notes, or other obligations which are uncondi-  
9 tionally guaranteed as to both interest and principal by  
10 the United States, or a combination thereof;

11           “(B) the trust funds to be invested exceed  
12 \$50,000;

13           “(C) the mutual fund is registered by the Securi-  
14 ties and Exchange Commission; and

15           “(D) the Secretary is satisfied with respect to the  
16 security and protection provided by the mutual fund  
17 against loss of the principal of such trust funds.

18           “(2) The Secretary, as a condition to complying with a  
19 request pursuant to paragraph (1) of this subsection, is au-  
20 thorized to require such tribe or individual Indian, as the case  
21 may be, to enter into an agreement with the Secretary for  
22 the purpose of relieving the United States of any liability in  
23 connection with the interest, or amount thereof, payable in  
24 connection with such trust funds so invested during the  
25 period of that investment.

1 SEC. 2. AMENDMENT TO INDIAN FINANCING ACT OF 1974.

2 Section 101 of the Indian Financing Act of 1974 (25  
3 U.S.C. 1461) is amended—

4 (1) by deleting "money markets," and inserting in  
5 lieu thereof the following: "money markets, or to sup-  
6 plement funds from private lenders, including loans  
7 guaranteed by the Secretary pursuant to section 201 of  
8 this Act,"; and

9 (2) by inserting immediately before the period at  
10 the end of the third sentence a comma and the follow-  
11 ing: "or, in the discretion of the Secretary of the Inte-  
12 rior, as a contribution to the Indian Loan Guaranty  
13 and Insurance Fund authorized by section 217 of this  
14 Act, or for the payment of interest subsidies authorized  
15 by section 301 of this Act".

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